

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Myatel Corporation for a Certificate of Public Convenience and Necessity to Provide Limited Facilities-Based and Resold Local Exchange Services within the Local Service Territories of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc.

Application 06-02-039
(Filed February 23, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING REQUIRING
APPLICANT TO FILE ADDITIONAL INFORMATION WITHIN 30 DAYS
IN ORDER TO AVOID DISMISSAL OF APPLICATION**

On February 23, 2006, Myatel Corporation (Applicant) filed this application with the Commission for a certificate of public convenience and necessity (CPCN) to provide limited facilities-based and resold local exchange services in the State of California.

Upon review of the application, I directed Applicant to provide additional financial documentation to show that Applicant meets the Commission's financial requirements for issuance of a CPCN by making a supplemental filing with the Docket Office by no later than April 28, 2006. To date, Applicant has not filed a supplemental filing and has not requested an extension of time in which to do so.

Therefore, **IT IS RULED** that:

1. Applicant shall file a supplemental filing which contains proper financial documentation to show that Applicant meets the Commission's financial requirements for limited facilities-based and resold carriers and can pay the cost of any deposits that may be required by other telecommunications carriers in order to provide service in California within 30 days of the date of this ruling.

2. An explanation of these requirements and the types of financial documents that meets Commission requirements is attached as Exhibit A.

3. Applicant shall make the filing in accordance with the Commission Rules of Practice and Procedure. Applicant may contact the Commission Public Advisor's Office at 1-800-849-8390 or 1-866-849-8391 for assistance with procedural questions.

4. If Applicant fails to make a satisfactory supplemental filing within 30 days of this ruling, I shall prepare a proposed decision recommending Commission dismissal of the application without prejudice, based on Applicant's failure to complete the application.

Dated May 15, 2006, at San Francisco, California.

/s/ MYRA J. PRESTIDGE

Myra J. Prestidge
Administrative Law Judge

EXHIBIT A

Information Needed for Supplemental Filing – Application No. 06-02-039

Financial Information

In order to qualify for a CPCN to provide limited facilities-based services, Applicant must show that it has at least \$100,000 available for the operation of the company, plus the cost of any deposits that must be paid to other carriers in order to provide service. If the amount of deposits cannot be determined at this time, Applicant must demonstrate that it has at least an additional \$15,000 available to pay deposits, for a total of at least \$115,000.

If Applicant wishes to apply for a CPCN to provide resold services only, Applicant must provide financial documentation to show that it has at least \$25,000 available for the operations of the company, plus the cost of deposits, or, if the amount of deposits cannot be determined at this time, an additional \$15,000 to cover deposits, for a total of at least \$40,000.

Applicant has filed under seal a financial guarantee in the amount of \$125,000 made by Osvaldo E. Romero, a director of the company, and an apparent checking account statement for Mr. Romero. If Applicant wishes to continue to rely on the financial guarantee of Mr. Romero, please provide one of the following types of documentation to verify that Mr. Romero has at least \$115,000 available to financially guarantee Applicant's operations for one year after certification by the Commission.

The accepted forms of financial documentation are:

- An **audited** balance sheet and income statement demonstrating sufficient cash flow, as stated above; **or any of the following:**
- Cash or cash equivalent, including cashier's check, sight draft, performance bond proceeds, or traveler's checks;
- Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution (The CD need not be irrevocable and may be for any reasonable term selected by Applicant);
- Preferred stock proceeds or other corporate shareholder equity, provided that use is restricted to maintenance of working capital for a period of at least twelve (12) months beyond certification of the applicant by the Commission;

- Letter of credit, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the application by the Commission;
- Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;
- Loan, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;
- Guarantee, issued by a corporation, copartnership, or other person or association, irrevocable for a period of at least twelve (12) months beyond certification of applicant by the Commission;
- Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission.
- A qualified subsidiary, affiliate, or corporation holding a controlling interest in the applicant must be either (1) a certificated going concern with active NDIEC operations in California, or (2) a going concern with active NDIEC operations outside California.

Note: The above language applies to nondominant interchange carrier applications (D.91-10-041, App. A.) The same requirements are applied to Competitive Local Exchange Carrier applications (D.85-12-056, App. A).

Unaudited financial statements or checking account statements are not acceptable.

(END OF EXHIBIT A)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Applicant to File Additional Information within 30 Days in Order to Avoid Dismissal of Application on all parties of record in this proceeding or their attorneys of record.

Dated May 15, 2006, at San Francisco, California.

/s/ ELVIRA NIZ

Elvira Niz

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.